



Voluntary Report – Voluntary - Public Distribution

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Report Name: Safeguard Investigation on Imported Beef

Country: China - People's Republic of

Post: Beijing

Report Category: Agricultural Situation, Livestock and Products, Trade Policy Monitoring

Prepared By: Joshua Demoss

Approved By: Eric Mullis

Report Highlights:

On December 27, the People's Republic of China (PRC) Ministry of Commerce Trade Remedy Investigation Bureau announced a safeguard investigation on global beef imports following a petition by the China Animal Agriculture Association (CAAA) and nine provincial animal agriculture associations. The investigation covers fresh, chilled, and frozen beef products classified under specific HTS codes, valued at \$14.2 billion in 2023. Interested parties have 20 days from the date of publication to register or comment. This report provides unofficial translations of the initiation announcement and safeguard investigation application attachments.

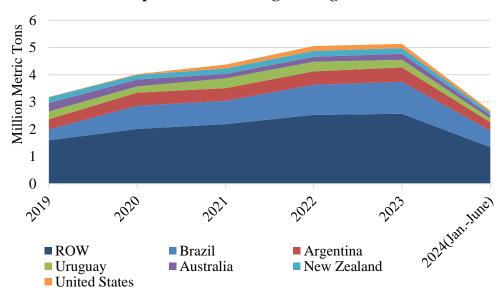
General Information

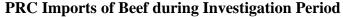
The People's Republic of China (PRC) Ministry of Commerce Trade Remedy Investigation Bureau (TRIB) announced a safeguard investigation on global beef imports on December 27 following a petition by the China Animal Agriculture Association (CAAA) and nine provincial animal agriculture associations. The investigation covers fresh, chilled, and frozen beef products classified under HTS codes 02011000, 02012000, 02013000, 02021000, 02022000, and 02023000. The value of imports to the PRC under these HTS codes was \$14.2 billion in 2023. Leading suppliers of beef for the PRC include Brazil (\$6.0 billion), Argentina (\$2.2 billion), Australia (\$1.6 billion), the United States (\$1.5 billion), Uruguay (\$1.1 billion), and New Zealand (\$1.0 billion). The petition alleged a rise in imports of beef products from 20.55 percent to 30.90 percent of the PRC market between January 1, 2019, and June 30, 2024, claiming serious injury to domestic beef industry. While the investigation does not specifically target exported beef from the United States, an affirmative determination would likely result in additional duties on global beef imports, including those from the United States.

Interested parties have 20 days from the date of publication to register or comment. The probe will likely conclude within eight months, though it could be extended should MOFCOM find that "special circumstances" warrant. Under the <u>Agreement on Safeguards</u>, which sets forth the rules for application of safeguard measures pursuant to Article XIX of GATT 1994, the PRC is mandated to notify interested parties (*e.g.*, importers, exporters, producers, *etc.*), and that interested parties have the opportunity to present their views and to respond to the views of to others. Although the Agreement on Safeguards does not contain procedural requirements, the PRC's trade remedy procedures include Provisional Rules on Initiation of Safeguards Investigations and Regulations of the People's Republic of China on Safeguards (see attachments).

U.S. Beef and Beef Products Exports

U.S. beef exports to the PRC covered in the investigation reached \$1.5 billion in 2023. According to PRC customs data through November 2024, U.S. beef exports for the calendar year 2024 are valued at \$1.3 billion, reflecting an approximate 4 percent year-on-year decline.





Source: Trade Data Monitor, LLC (TDM)

Prices of imported beef are generally lower than PRC domestically produced beef, especially beef from Uruguay, Argentina, and Brazil. However, U.S. beef and beef products exports sell at a premium, more than double the price of imported beef from South America into the PRC. The domestic industry claims that under the impact of imported beef, domestic beef and live cattle prices have fallen rapidly, and the current beef price has fallen to the lowest level in nearly five years, and the live cattle price has fallen to the lowest level in nearly for exemptions from the PRC's retaliatory (MFN) tariff rates as importers have been able to apply for exemptions from the PRC's retaliatory Section 301 tariffs. Australia, New Zealand, and Chile have free trade agreements with the PRC; therefore, their beef and beef products tariffs have been reduced to zero.

For more information on the PRC livestock and beef market, please see the <u>Livestock and Products</u> <u>Annual (CH2024-0107)</u>. Please reach out to <u>AgBeijing@usda.gov</u>, if you have any questions.

Appendices

Below and attached are unofficial translations of the safeguard investigation initiation announcement, application and attachments, and PRC regulations regarding safeguard investigations. Stakeholders should conduct their own review of the safeguard investigation documents and regulations.

I. Announcement on Beef Import Safeguard Investigation

BEGIN UNOFFICIAL TRANSLATION

Appendix I

Announcement No. 60 of 2024 of the Ministry of Commerce on the Filing of a Safeguard Investigation on Imported Beef

[Issuing Unit] Trade Remedies Bureau [Issuing Document Number] Ministry of Commerce Announcement No. 60 of 2024 [Issuing Date] December 27, 2024

The Ministry of Commerce of the People's Republic of China (hereinafter referred to as the Ministry of Commerce) received the "Application for Safeguard Measures Investigation on Beef Industry of the People's Republic of China" formally submitted by China Animal Husbandry Association, Jilin Animal Husbandry Association, Liaoning Animal Husbandry Association, Guizhou Cattle and Sheep Industry Association, Sichuan Animal Husbandry Association, Hebei Animal Husbandry Association, Inner Mongolia Animal Husbandry Association, Shandong Animal Husbandry Association, Henan Beef Cattle Industry Association, and Xinjiang Uygur Autonomous Region Animal Husbandry and Veterinary Medicine Association (hereinafter referred to as the Applicant) on November 22, 2024. The Applicant requested a safeguard measures investigation on imported beef. In accordance with the relevant provisions of the Regulations of the People's Republic of China on Safeguard Measures, the Ministry of Commerce reviewed the qualifications of the applicant, the relevant circumstances of the products under investigation, the relevant circumstances of similar products and directly competing products in China, the growth of the number of products under investigation, and the impact of the products under investigation on the domestic industry.

According to the evidence provided by the applicant and the preliminary review of the Ministry of Commerce, the applicant meets the requirements of Article 3 and Article 10 of the Regulations of the People's Republic of China on Safeguard Measures regarding applications for safeguard measures investigations by domestic industries.

The application claims that the import volume of the products under investigation increased sharply from 2019 to the first half of 2024. In 2023, it increased by 64.93% compared with 2019, and in the first half of 2024, it increased by 106.28% compared with the first half of 2019. From 2019 to the first half of 2024, the import volume of the products under investigation accounted for 30.9% of the Chinese market share increased from 20.55%, and about 43.87% of China's total output increased from 24.87%. The applicant also claims that the sharp increase in the import volume of the products under investigation and there is a causal relationship between the increase in the import volume of the products under investigation and the serious damage to China's domestic industries. Upon review, the Ministry of Commerce believes that the application contains the content and relevant evidence required for the establishment of a statutory safeguard investigation.

According to the above review results and in accordance with Article 3 of the Regulations of the People's Republic of China on Safeguard Measures, the Ministry of Commerce has decided to initiate a safeguard measures investigation on imported beef starting from December 27, 2024. The relevant matters are hereby announced as follows:

I. Investigation and Investigation Period

As of the date of this announcement, the Ministry of Commerce has initiated a safeguard investigation on imported beef. The investigation period for this investigation is from January 1, 2019 to June 30, 2024.

II. Products under Investigation

Name of the product under investigation: beef.

English name: Meat of bovine animals.

Product Description: The products under investigation are beef products obtained from the slaughter of live cattle (Bos genus), including fresh, chilled or frozen whole and half-head beef, bone-in beef and boneless beef.

This product is classified in the Customs Import and Export Tariff of the People's Republic of China: 02011000, 02012000, 02013000, 02021000, 02022000, 02023000.

III. Register to participate in the survey

Stakeholders shall register with the Trade Remedy Investigation Bureau of the Ministry of Commerce to participate in this safeguard investigation within 20 days from the date of this announcement. Stakeholders participating in the investigation shall provide relevant explanatory materials in accordance with the Reference Format for Registration to Participate in the Investigation. The Reference Format for Registration to Participate in the Investigation the Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website.

Stakeholders who register to participate in this investigation should submit an electronic version through the "Trade Remedy Investigation Information Platform" (https://etrb.mofcom.gov.cn) and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic version and the written version should have the same content and the same format.

IV. Accessing Public Information

The interested parties may download the non-confidential text of the application submitted by the applicant of this case from the sub-website of the Trade Remedy Investigation Bureau on the website of the Ministry of Commerce, or search, read, transcribe and copy the non-confidential text of the application submitted by the applicant of this case in the Trade Remedy Public Information Reading Room of the Ministry of Commerce (Tel: 0086-10-65197878). During the investigation, the interested parties may consult the public information of the case through the relevant websites, or search, read, transcribe and copy the public Information Reading Room of the Ministry of Commerce.

V. Comments on the Case

If interested parties need to comment on the investigated products, applicant qualifications and other related issues, they may submit written opinions to the Trade Remedy Investigation Bureau of the Ministry of Commerce within 20 days from the date of publication of this announcement.

VI. Survey Method

In accordance with Article 12 of the Regulations of the People's Republic of China on Safeguard Measures, the Ministry of Commerce may use questionnaires, hearings and other means to understand the situation and conduct investigations with stakeholders.

If the survey is conducted by questionnaire, the Ministry of Commerce will usually issue the questionnaire within 10 working days from the deadline for registration for the survey as specified in this announcement. Interested parties can download the questionnaire from the Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website. Interested parties should submit complete and accurate answers within the specified time. The answers should include all the information required by the questionnaire.

Interested parties may apply to the Ministry of Commerce for a hearing and may inquire about the relevant information of the hearing on the Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website.

VII. Submission and processing of information

When interested parties submit comments, questionnaires, etc. during the investigation process, they should submit an electronic version through the "Trade Remedy Investigation Information Platform" (https://etrb.mofcom.gov.cn), and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic version and the written version should have the same content and the same format.

If the information submitted by the interested party to the Ministry of Commerce needs to be kept confidential, the interested party may make a request to the Ministry of Commerce for confidential treatment of the relevant information and explain the reasons. If the Ministry of Commerce agrees to its request, the interested party applying for confidentiality shall also provide a non-confidential summary of the confidential information. The non-confidential summary shall contain sufficient and meaningful information so that other interested parties can have a reasonable understanding of the confidential information. If the non-confidential summary cannot be provided, the reason shall be explained. If the information submitted by the interested party does not state that it needs to be kept confidential, the Ministry of Commerce will regard the information as public information.

VIII. Consequences of Non-cooperation

When the Ministry of Commerce conducts an investigation, the interested parties shall truthfully reflect the situation and provide relevant information. The information provided by the interested parties shall be in standard Chinese. Non-Chinese information shall be submitted in Chinese translation and original text, and the Chinese translation shall prevail. If the interested parties fail to truthfully reflect the situation, provide relevant information, or fail to provide necessary information within a reasonable time, or seriously hinder the investigation in other ways, the Ministry of Commerce may make a ruling based on the facts already obtained and the best information available .

IX. Investigation Period

The survey will begin on December 27, 2024, and will usually be completed within 8 months, but may be extended appropriately under special circumstances.

X. Contact information of the Ministry of Commerce

Address: No. 2 East Chang'an Avenue, Beijing, China Zip code: 100731 Trade Remedy Investigation Bureau of the Ministry of Commerce Tel: 0086-10-65198435, 65198924 Fax: 0086-10-65198172 Website: Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website (URL: https://trb.mofcom.gov.cn)

> Ministry of Commerce December 27, 2024

Attachments:

Attachment 1 - English.pdf

- Attachment 2 English (Annex 5).pdf
- Attachment 2 English (Annex 7).pdf
- Attachment 3 English.docx

Provisional Rules on Initiation of Safeguards Investigations.docx

Regulations of the People's Republic of China on Safeguards.docx